

TO: Tourism Advisory Committee

FROM: David Kleitsch, Economic Development Director

DATE: August 6, 2010

SUBJECT: Director's Report

Committee Membership

There are two openings on the Tourism Advisory Committee. Position 6, Restaurant Representative and Position 7, Retail Representative. Brain Neil, General Manager of Claim Jumper remains interested in the position of Restaurant Representative and will be invited to the next TAC/LTAC meeting. The new management team at Alderwood has been contacted regarding continuing on the Committee as the Retail Representative.

Smith Travel Report

Twice annually Lynnwood obtains the Smith Travel Report for Lynnwood hotels, and Snohomish County hotels excluding Lynnwood. This data provides a year-to-date comparison of Lynnwood hotel activity with the rest of Snohomish County. The information is used to monitor Lynnwood's industry trends and relative market position

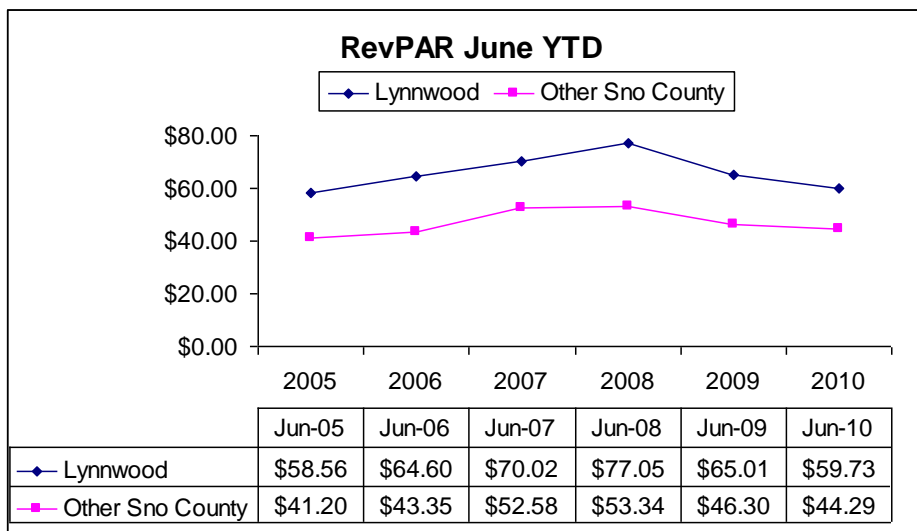
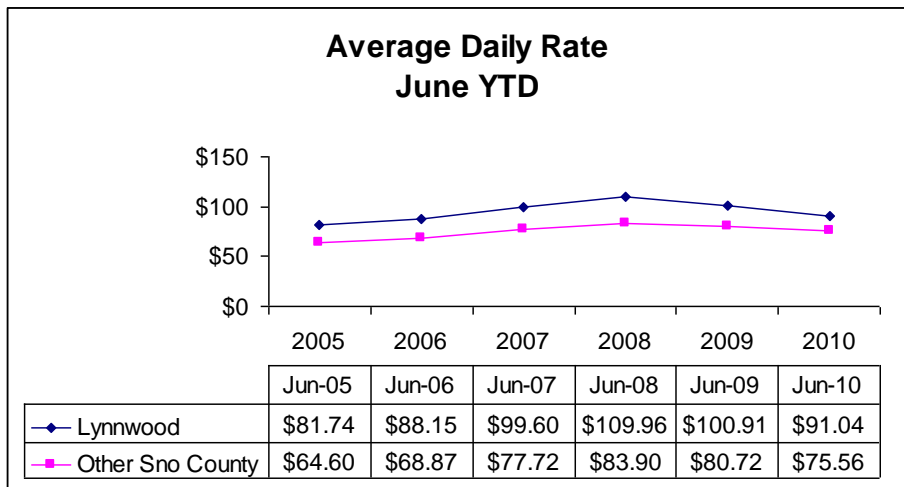
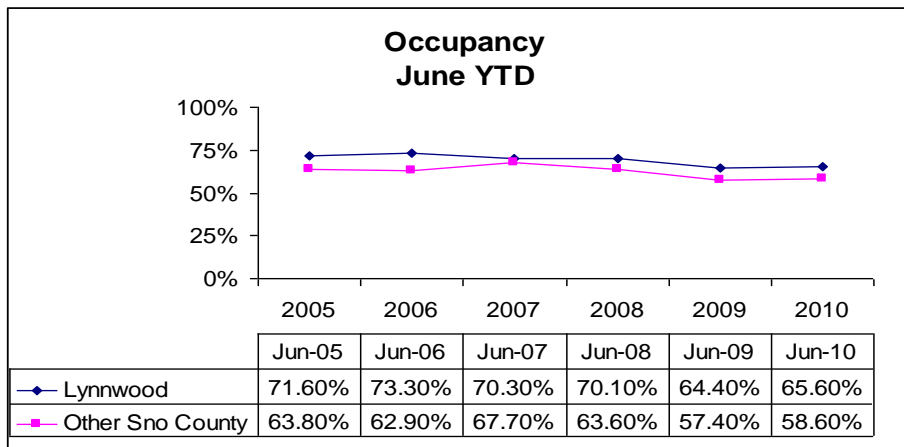
The following Lynnwood metrics compare the first half of 2010 with the same period in 2009:

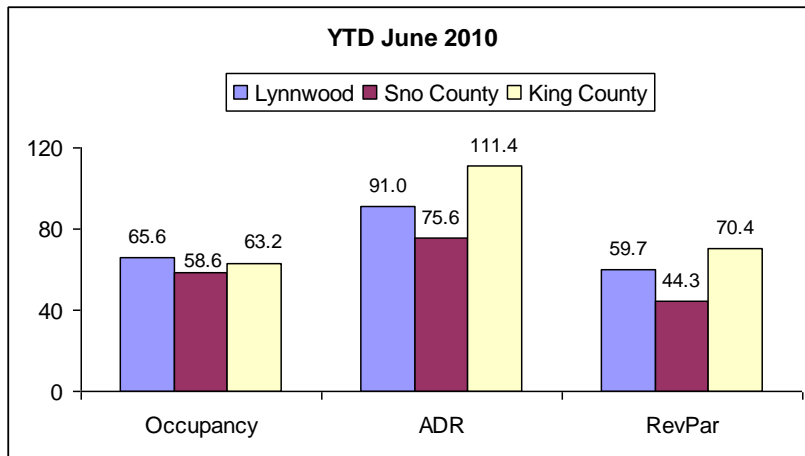
- YTD June occupancy for Lynnwood is 65.6%, a 1.9% increase compared to YTD June 2009
- Average Daily Rate (ADR) is \$91.04, a decrease of \$9.86, or 9.8%
- Revenue Per Available Room (RevPAR) is \$59.73, a decrease of \$5.25, or 8.1%

The following Snohomish County metrics compare the first half of 2010 with the same period in 2009:

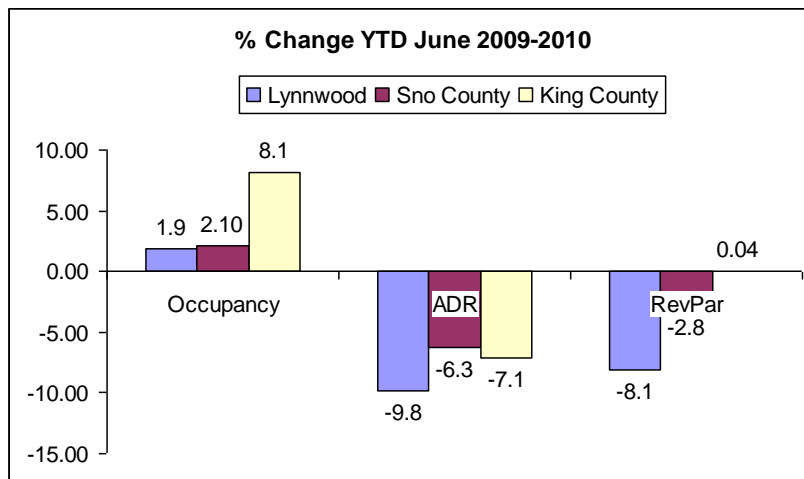
- Occupancy for Snohomish County is 58.6%, a 3.7% increase.
- Average Daily Rate (ADR) is \$75.56, a decrease of \$5.05 %, or 6.3%
- Revenue Per Available Room (RevPAR) is \$44.29, a decrease of \$1.28, or 2.8%.

The metrics for Lynnwood have lagged Snohomish County, and the relative spread for ADR and RevPAR has closed in recent years. This situation may indicate that Lynnwood properties are reducing room rates to remain competitive with King County. A positive sign is that summer occupancy in Lynnwood has been strong, and occupancy in King County continues to increase which may lead to the future strengthening of room rates.





The chart to the left compares Lynnwood, Snohomish County, and King County metrics for the first 6 months of 2010. YTD occupancy in Lynnwood is greater than King County. ADR and RevPAR are below the King County figures, as expected.



Proportional changes from June 2009 to June 2010 indicate that occupancy is increasing; however it is increasing at a slightly slower pace in Lynnwood than in King and Snohomish Counties. The strength of King County occupancy is positive. As occupancy increases, rates will go up and Lynnwood and Snohomish County will become attractive options to staying downtown. The proportional decrease in ADR and RevPAR in Lynnwood is greater than elsewhere although actual rates remain above those in Snohomish County.

Snohomish County Strategic Tourism Plan

Snohomish County has contracted with a consultant team to update the countywide strategic tourism plan. The group is headed by Frause. Other consultants on the team include Berk and Associates, Site Story and Calyx. The Consultants are currently conducting focus groups and one-on-one interviews with stakeholders to learn more about tourism issues and resources in the County. The County hopes to have the strategic plan completed this Fall.

Next Meeting: September 9, 2010